UNIVERSITI UTARA MALAYSIA

PEPERIKSAAN AKHIR
PROGRAM MBA
SEMESTER MEI, SESI 1999/2000

KOD KURSUS : PU 6013 LAWS & ETHICAL ISSUE IN BUSINESS
TARIKH : 12 SEPTEMBER 1999
MASA : 9.30 PG. - 12.30 TGH.
TEMPAT : SUNGAI PETANI

ARAHAN

Jawab semua soalan.

NO. MATRIK :
NO. KAD PENGENALAN :
NAMA PENSYARAH : R. N. SHARMA

JANGAN BUKA SOALAN INI SEHINGGA DIBERI ARAHAN
Date: 12 September 1999

Times: 0930 - 1230 (3 hours inclusive of 15 minutes for reading)

Venue: Sungai Petani

Lecturer: R.N. Sharma

Instructions: Answer ALL FOUR questions

Question 1

On May 11, A wrote to B offering to sell 300 bags of cement at RM50 per bag. On May 13, B posted a reply in which he accepted A's offer but added that if he did not hear to the contrary he would assume that the price included delivery to his (B's) store.

On May 14, before B's letter arrived at A's office, A heard a rumour that the price of cement was about to fall and he immediately sent a fax to B stating "our price of RM50 includes delivery".

On receiving A's fax at 10 am on May 14, B immediately wrote and posted a letter to A confirming his acceptance of A's terms. At noon, however, B also heard the rumour that cement prices were about to fall and he immediately sent a fax to A stating "Decline your offer of cement".

The price of cement fell to RM40 a bag and B refuses to accept any cement from A.

Advice A

(25 Marks)
Question 2

Consider the rights and liabilities of Jason, who is 17, in respect of the following transactions:

(i) he bought a pair of gold cufflinks costing RM2,000 from Permata Sdn Bhd, but has not paid for them;

(ii) he bought an exercise bicycle from Kuat Sdn Bhd and paid for it, but has now decided that exercise is a waste of time and wants to have his money back;

(iii) he agreed to work as an assistant in Simon's bookshop but left after one week because he felt that the hours were too long. The contract with Simon provided that it could only be terminated by 3 month notice on either side.

(iv) He ordered some necessary groceries from Ah Kow's shop but refused to accept delivery without giving any reason.

(25 Marks)
Question 3

Until early this year, Tajam was a director of Ramboot Bhd. In 1998, the board of directors of Ramboot Bhd authorised Tajam to negotiate for the sale of a wholly-owned subsidiary of Ramboot Bhd to a Japanese multinational company. Besides being a director of Ramboot, Tajam was also the general manager of the subsidiary company.

The Japanese Company agreed to purchase the subsidiary on the secret understanding between itself and Tajam that Tajam would resign from Ramboot but continue to manage the subsidiary. Tajam agreed after the Japanese Company promised to pay him RM50,000 as compensation for giving up his directorship of Ramboot Bhd.

The subsidiary was then duly purchased and Tajam was paid RM 50,000 as promised upon his prompt resignation from Ramboot Bhd. Ramboot Bhd has just learnt about the payment of RM50,000 to Tajam and has sought your advise with regard to a possible legal action against him and/or against the Japanese company.

Advise Ramboot Bhd.

(25 Marks)
Question 4(a)

C agreed to buy from D, a motor cycle dealer, a new "Speedster" motor cycle. The printed contract stipulated that "all conditions, warranties and liabilities implied by statute, common law or otherwise are excluded." A week after C had accepted delivery of the motor cycle from D, he discovered that it was not quite new, but had been used for demonstration purposes before the sale. C now wishes to know whether he has an action for breach of contract.

Advice C

(12.5 Marks)

Question 4(b)

E bought a "Super" drip-dry shirt from F's shop. The shirt caused E to suffer from dermatitis. E wishes to know whether he has an action for damages (i) against the manufacturer of "Super" shirts and (ii) against

Would it make any difference to your answer if E had a specially sensitive skin?

(12.5 Marks)